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Study Assesses Impact of Recent Budget Cuts on Court System

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AMES, Iowa — “Recent budget cuts to Iowa’s court system are likely to increase case backlogs and citizen access problems according to a study conducted in January 2002. The initial 4.3 percent across-the-board budget cuts imposed on the Iowa Judicial Branch last fall resulted in staff reductions of 23 to 30 percent for three rural county clerk of court offices examined in detail. As a result, citizens in one county experienced a 35 percent reduction in public access hours to court documents,” said Mark A. Edelman, ISU economist who conducted the study.

The ISU Economics Department report was sponsored by the Iowa State Bar Association and is based on site visit interviews with 45 attorneys, judges, clerks, law enforcement officers, supervisors, and other court users in Fayette, Wright and Adams counties. The study examined local impacts of recent staff cuts and reductions in magistrate services in outlying cities.

In addition, the study summarized local observations and ideas for improving efficiency and service within the current structure and alternative structures to improve court service delivery. The study also developed preliminary estimates for the initial restructuring plan proposed last November and withdrawn by state court officials in December.

“Court clerks in the counties visited indicated they had adequate staffing in October 2001 before the first round of cuts were imposed. In January, all clerks indicated their offices were understaffed after the first round of cuts,” said Edelman.

“The highest priority of clerk staff is to keep court case loads current. Whenever they are caught up, some staff shift to converting historical documents to electronic format so that old document

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files can be purged. The clerks unanimously indicated that they no longer have staff capacity to convert any old documents to electronic format. Thus, comprehensive legal searches in the future will likely continue to require some physical review of hard documents that are not in electronic form,” the report said.

“Judges, attorneys, and court system users in two of three counties visited expressed concern about increasing indicators of delays, case backlogs and potential for serious customer service failures due to recent cuts. More serious backlog problems are anticipated after the April 15 tax filing deadline when many rural attorneys return to their normal court business agenda,” Edelman said.

“The preliminary study demonstrates several important findings. First, generating savings for the Judicial Branch is not the same as generating savings for the court system as a whole, for the state’s taxpayers, and for Iowa’s economic vitality. For example, the decision to discontinue magistrate services in outlying cities probably saved the Judicial Branch budget less than \$100,000 statewide.

However, the 11 counties impacted are likely seeing their combined costs increase by a \$500,000 or more. Some offered to pay the state’s extra costs for the service, but they were rejected. So the impact of magistrate service reduction on economic vitality is negative — not positive,” Edelman said.

“Secondly, the preliminary study indicates the now withdrawn court restructuring plan would actually have cost Iowa citizens \$9.5 million more than it saved annually during the next few years. Most of the incremental costs would have been passed on to consumers in real estate transactions, banking transactions, legal and business costs in the 71 counties where court services were reduced,” Edelman said.

“The study assumes that it will be five years before an Electronic Document Management System (EDMS) is in place. This was the consensus of those participating in the site interviews based on their observations about how long it took the federal courts to move to an EDMS system and their previous experience with statewide implementation of the Iowa Court Information System (ICIS).

Recent budget cuts eliminated EDMS pilot project funding. Clearly the technology should be in place and working before any court restructuring occurs. Otherwise, the potential savings will be much smaller than the incremental costs identified in this study,” Edelman said.

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“The recent announcement of Internet access to court records represents a step in the right direction, but those interviewed during the county visits indicated that most citizens who need the court system are less likely to have Internet access knowledge or computers at home. Furthermore, prisoners still need to travel for court appearances, electronic filing is not yet available, and the electronic documents available on the system represent only a portion of the records available at the court clerk’s office. Internet access won’t save any time or travel for abstractors, attorneys or others if they still have to search court documents in both places,” Edelman said.

Improving Performance Within Present Structure

“Most participants in all three site visits agreed with some support that raising fines, fees, and court costs should be considered as a means for avoiding further staff cuts, reductions in public access office hours, and for restoring many of the staff positions already eliminated. Several participants said that many fees have not been increased for several years and they provided anecdotal information regarding higher fines, fees, and costs experienced in other states,” Edelman said.

Alternative Structures to Improve Court System Performance

“The greatest agreement from the site interviews was expressed regarding the desire to be consulted locally and to have influence in the future before any restructuring plans are announced from Des Moines. Substantial evidence suggests that adequacy of facilities at designated regional court service centers were not fully considered in the plan.

Officials in all three counties visited said significant remodeling and additional space would be needed before court services and clerks offices at the designated regional centers would be operational. Officials in one county noted the regional center picked for their area was one of the few counties in the state without a local jail,” Edelman reported.

“Community leaders in another county said they would have picked two different regional centers that follow local commuting and trade patterns. Others local leaders argued that most of the state’s plans increased costs instead of savings. They argued that two-county sharing models or returning clerk staff from state salaries to local prevailing wage rates should have been considered first,” Edelman said.

“Local leaders observed that Iowa has experienced several rounds of school consolidation. Instead of mandated restructuring for schools, state incentives were provided. Local leaders

decide which partnerships and mergers make the most sense. Feasibility studies are conducted on finances, programs, facilities, and all aspects of the restructuring plan. Technical expertise is provided by the state and final decisions rest with the people most directly impacted and who pay most of the bill,” Edelman said.

“The fiscal flow of funds analysis showed that court clerk office collections for fees and fine revenues generated in each of the counties visited were greater than the estimated total salary and office costs for the court clerk offices. As a result, the counties visited are now sending an estimated \$45,000 to \$290,000 to the state general fund after local court clerk staff and office costs are deducted,” Edelman said.

The full report is available online at <http://www.econ.iastate.edu/outreach/community/courtstudy2002.pdf>